

28 FEB

ROUTING AND TRANSMITTAL Date 28/2

TO: (Name, office symbol, room number, building, Agency/Post)		Initials	Date
1.	DDA - F41	J	3/17
2.	ED	PR	3/17/83
3.			
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Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
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Coordination	Justify	

REMARKS

2-1: Questions/Responses submitted to Comptroller re New Bldg in connection with SSCI hearings on '84 program. Delivered on 28 Feb at 1000. Reviewed by A/DDA



STAT

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)

Room No.—Bldg.

Phone No.

5041-102

OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.206

U GPO : 1981 O - 341-529 (120)

QUESTION #6: WHY DOES THE CIA NEED TO CONSTRUCT A SECOND BUILDING AT LANGLEY BEGINNING IN FY-84?

RESPONSE: Knowing that a federal construction program requires five years from initiation of design to beneficial occupancy, construction ideally should have begun in FY-81 to provide facilities necessary to accommodate the planned growth in personnel and systems. Unfortunately, the decision to pursue construction occurred simultaneously with the decision to rebuild the Agency. This has resulted in a two-year delay in requesting construction funding while necessary approvals and project design were undertaken.

The delay has been costly in terms of operating efficiency and ultimate construction costs. Without a new building in sight, we have been forced to add 150,000 square feet of leased space to our inventory this year alone. Continuing expansion of ADP has forced more of the workforce out of Headquarters, adding to the operating costs and detracting from effectiveness. Inflation has added approximately \$15 million a year to construction costs.

Our need for FY-84 construction funds is based on the urgency attached to reversing the trends of rising operating costs and decreasing efficiency and effectiveness. Bid packages for the construction contract will be complete in the spring of 1984. Without the requested funding, we forecast a need to continue adding to the lease space inventory through FY-87.

QUESTION #6, PART 2: WHAT IS THE IMPACT ON THE NFIP IF THIS BUILDING WERE SLIPPED TO FY-85 AND TOTALLY FUNDED THAT YEAR?

RESPONSE: The current funding profile for the New Building Construction was derived from detailed trade-offs between ongoing support costs and high priority operational needs. Deferring all construction funding until FY-85 will have a significant ripple effect on a carefully constructed five-year program.

The immediate effect of deferring funding will be the need to delay or cancel operational initiatives in the amount of approximately \$75 million to accommodate total construction cost. The deferral will also cause additional increases in the out-year support cost to cover the need for additional leased space, communications, security, transportation, and other support costs attributable to increased dispersion of Headquarters activities. These dual support cost impacts will cause a major restructuring of the program with the only two possible outcomes being reduced operational initiatives or higher budget levels. Neither of these alternatives appears necessary or desirable.

QUESTION #6, PART 3: WHY WAS FUNDING OF THE BUILDING SPLIT
OVER THE FY-84 and FY-85 PERIOD?

RESPONSE: It was our intent and desire to request total construction in FY-84. However, in adjudicating all of the NFIP priorities, it became obvious that placing all construction funding in FY-84 would necessitate deferring the rebuilding of CA capabilities until FY-85. Such a delay would have been detrimental to National priorities.

To prevent this outcome, the decision was made to request only that level of construction funding that could be expended by a contractor in the first year of construction. While this strategy complicates the design and administration of the construction program, it achieves the objective of allowing two major initiatives to proceed on timely schedules.

NEW BUILDING

1. Estimated total cost:
 - Building _____
 - Garage _____
 - Reception Bldg _____
 - Power House _____
 - A&E _____
 - Road Costs (123 and 193) _____
 - Furniture _____
 - Moving _____
2. Which external buildings will be retained:
 - Number _____
 - Locations _____
 - Cost to retain _____
3. Cost savings:
 - Transportation _____
 - Man-years _____
 - Leases _____
4. Building:
 - Square footage _____
 - Cost per square foot _____
 - Useable space _____
 - Machine space _____
 - Gym _____
 - Who moves in _____
5. Garage:
 - Spaces _____
 - Spaces outside _____

6. Number of people:

◦Housed _____

◦SF per person _____

7. Amortization:

◦No. years _____

8. Construction:

◦RFP _____

◦Bids _____

◦Commence _____

◦Beneficial occupancy _____

◦Disruption _____

◦Impact:

-Agency _____

-Community _____

◦Security _____

9. Approvals/Concurrence:

◦NCPB _____

◦McLean Cit. Assoc. _____

◦Fairfax Supervisors _____

◦Virginia _____

◦Utilities (sewage,
water and power) _____